

WAIS *Inc*

Wide Area Information Servers

March 13, 1995

Dear Member of the Board:

Our ongoing recruiting effort has increased our number of current full-time employees and contractors to 27. We have 6 more candidates who have accepted offers to join us. By the beginning of April, we will have a total staff of 30 people.

Sincerely yours,

Brewster Kahle

BK:jc

WAIS, Inc.
February 1995 Balance Sheet
3/7/95

	<u>Actual</u>	<u>Budget</u>	<u>Difference</u>
<i>Current Assets:</i>			
Cash	133,019	101,163	31,856
Accounts Receivable	420,363	282,315	138,048
Deposits & prepaids	62,493	15,000	47,493
Total Current Assets	615,875	398,478	217,397
<i>Fixed Assets:</i>			
Furniture	37,771	19,741	18,030
Equipment & Software	189,808	150,276	39,532
Production Services	23,982	26,301	(2,319)
Leasehold Improvements	1,252		1,252
Accumulated Depreciation	(63,768)	(60,036)	(3,732)
Net Fixed Assets	189,045	136,282	52,763
<i>Other Assets</i>	3,179	3,815	(636)
<i>Total Assets</i>	808,099	538,575	269,524
<i>Current Liabilities:</i>			
Accounts Payable	106,832	73,072	33,760
Accounts Receivable Line of Credit			-
Note Payable		48,711	(48,711)
Deferred Revenue	7,100	79,253	(72,153)
Accrued Income Taxes	280,174	106,569	173,605
Total Current Liabilities	394,106	307,605	86,501
<i>Shareholders' Equity:</i>			
Paid in Capital	25,000	25,000	-
Current Year Income (Loss)	351,344	159,854	191,490
Retained Earnings (Deficit)	37,649	46,116	(8,467)
Total Equity	413,993	230,970	183,023
<i>Total Liabilities & Equity</i>	808,099	538,575	269,524

WAIS, Inc.

Income Statement for the Month of February 1995

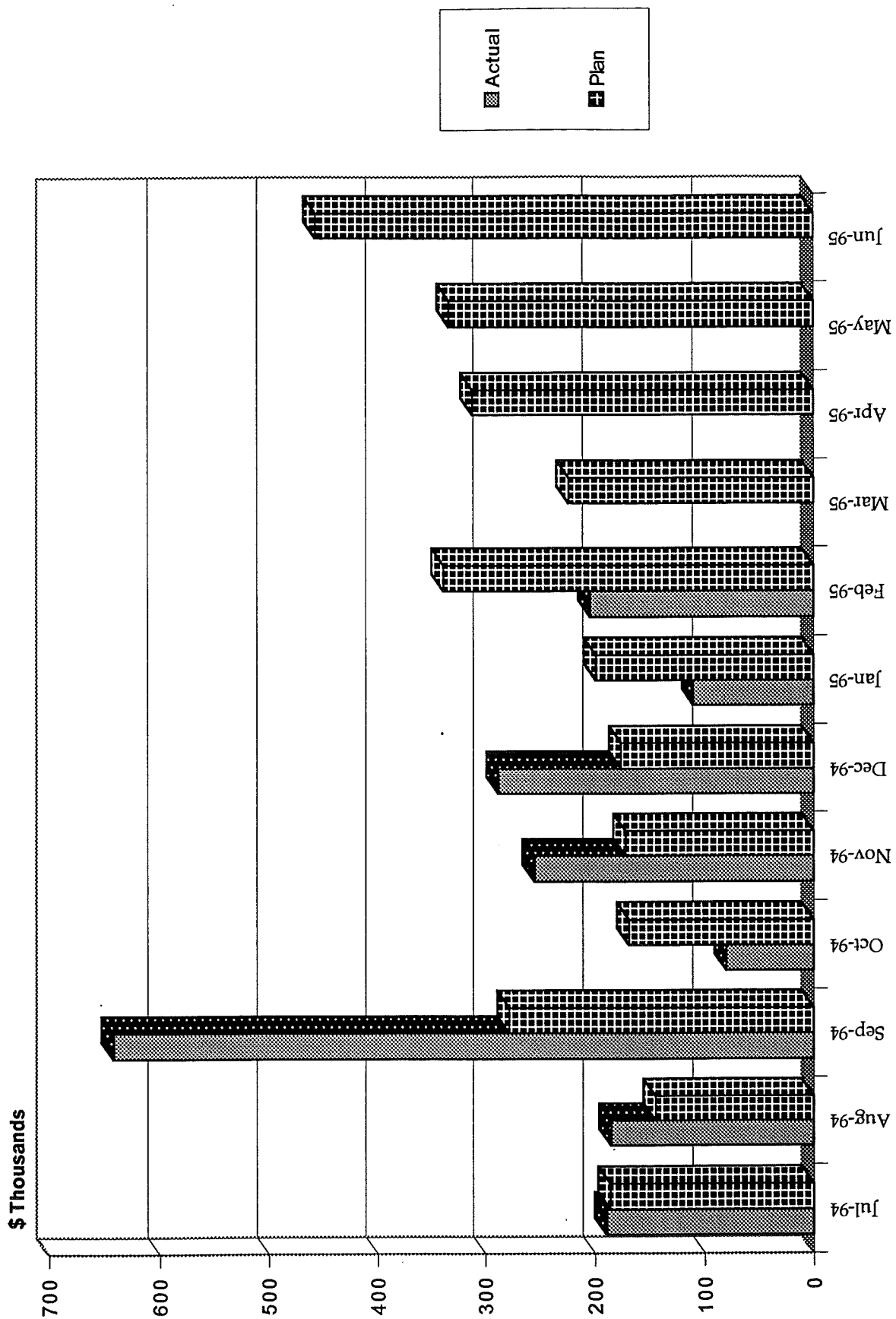
3/7/95

Month of February				FY 1995 Q3 to Date		
<u>Actual</u>	<u>Budget</u>	<u>Better (Worse)</u>		<u>Actual</u>	<u>Budget</u>	<u>Better (Worse)</u>
			<i>Revenue:</i>			
83,450	177,778	(94,328)	Products	119,450	355,556	(236,106)
7,616		7,616	Government Contract	40,030		40,030
113,100	161,000	(47,900)	Production Services International	154,633	182,000	(27,367)
204,166	338,778	(134,612)	Total Revenue	314,113	537,556	(223,443)
15,000		15,000	<i>Cost of Sales</i>	30,000		30,000
189,166	338,778	(149,612)	<i>Gross Margin</i>	284,113	537,556	(253,443)
			<i>Expenses:</i>			
67,579	88,226	20,647	Marketing & Sales	134,959	151,186	16,227
13,346	5,800	(7,546)	Washington Office	25,787	11,600	(14,187)
24,510	32,831	8,321	Production Services	45,323	61,278	15,955
42,951	66,284	23,333	Development	91,942	131,429	39,487
55,157	63,094	7,937	G&A	106,027	112,588	6,561
16,190		(16,190)	Operations	32,365		(32,365)
219,733	256,235	36,502	Total Expenses	436,403	468,081	31,678
(30,567)	82,543	(113,110)	<i>Net Operating Income (Loss)</i>	(152,290)	69,475	(221,765)
410		410	<i>Interest Income (Expense)</i>	965		965
(30,157)	82,543	(112,700)	<i>Pretax Income (Loss)</i>	(151,325)	69,475	(220,800)
(13,269)	33,017	46,286	<i>Income Taxes</i>	(66,583)	27,790	94,373
(16,888)	49,526	(66,414)	<i>NET INCOME (LOSS)</i>	(84,742)	41,685	(126,427)

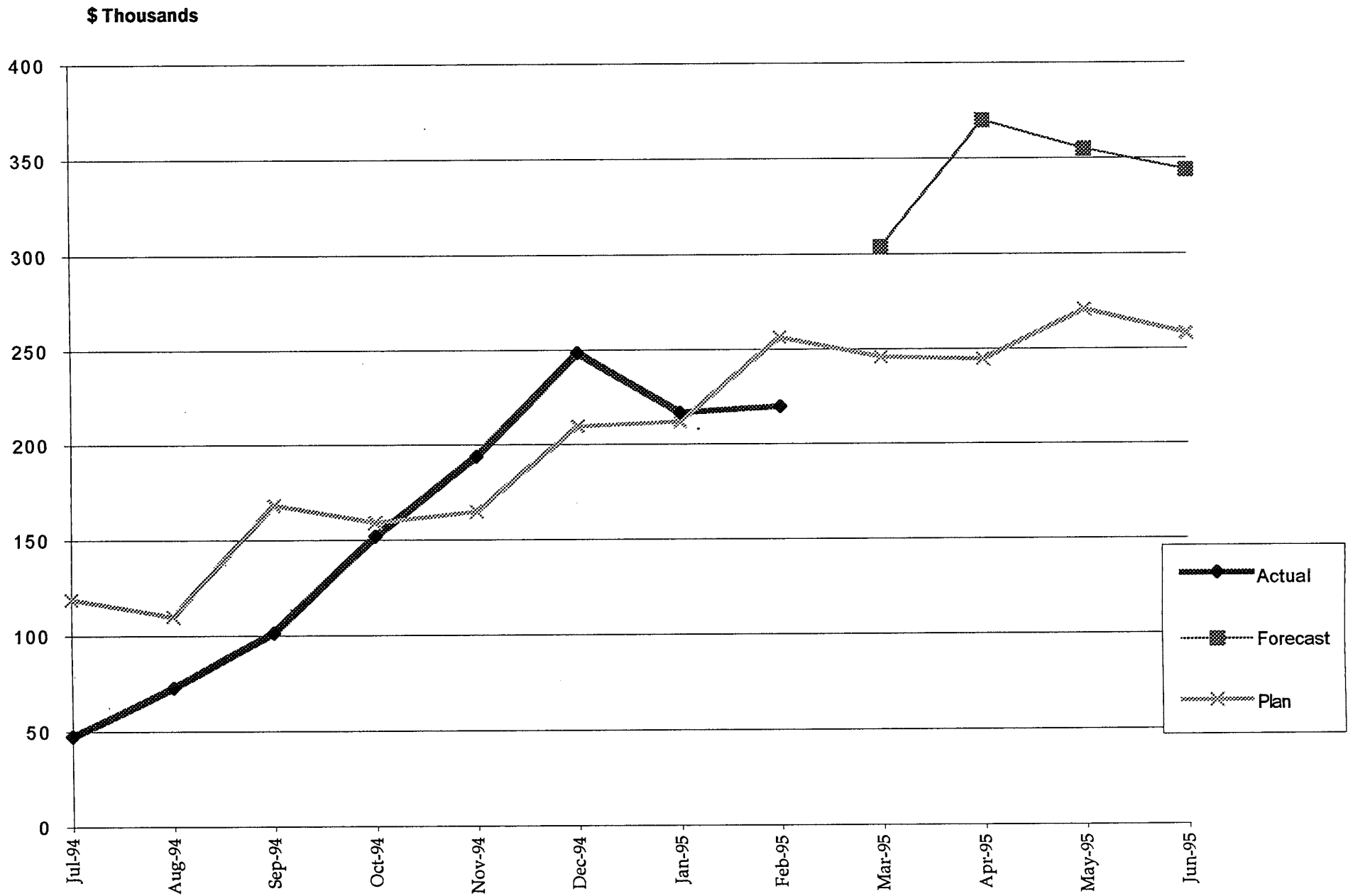
WAIS, Inc.
Income Statement for the Month of February 1995
3/7/95

Month of February				FY 1995 Year to Date		
<u>Actual</u>	<u>Budget</u>	<u>Better (Worse)</u>		<u>Actual</u>	<u>Budget</u>	<u>Better (Worse)</u>
			<i>Revenue:</i>			
83,450	177,778	(94,328)	Products	1,211,828	1,294,446	(82,618)
7,616		7,616	Government Contract	278,916		278,916
113,100	161,000	(47,900)	Production Services	362,483	368,000	(5,517)
			International	100,000		100,000
204,166	338,778	(134,612)	Total Revenue	1,953,227	1,662,446	290,781
15,000		15,000	<i>Cost of Sales</i>	71,850		71,850
189,166	338,778	(149,612)	<i>Gross Margin</i>	1,881,377	1,662,446	218,931
			<i>Expenses:</i>			
67,579	88,226	20,647	Marketing & Sales	318,267	361,484	43,217
13,346	5,800	(7,546)	Washington Office	69,738	46,400	(23,338)
24,510	32,831	8,321	Production Services	233,621	202,086	(31,535)
42,951	66,284	23,333	Development	286,062	407,232	121,170
55,157	63,094	7,937	G&A	298,071	378,819	80,748
16,190		(16,190)	Operations	32,365		(32,365)
219,733	256,235	36,502	Total Expenses	1,238,124	1,396,021	157,897
(30,567)	82,543	(113,110)	<i>Net Operating Income (Loss)</i>	643,253	266,426	376,828
410		410	<i>Interest Income (Expense)</i>	2,505		2,505
(30,157)	82,543	(112,700)	<i>Pretax Income (Loss)</i>	645,758	266,426	379,333
(13,269)	33,017	46,286	<i>Income Taxes</i>	294,414	213,142	(81,272)
(16,888)	49,526	(66,414)	<i>NET INCOME (LOSS)</i>	351,344	53,284	298,060

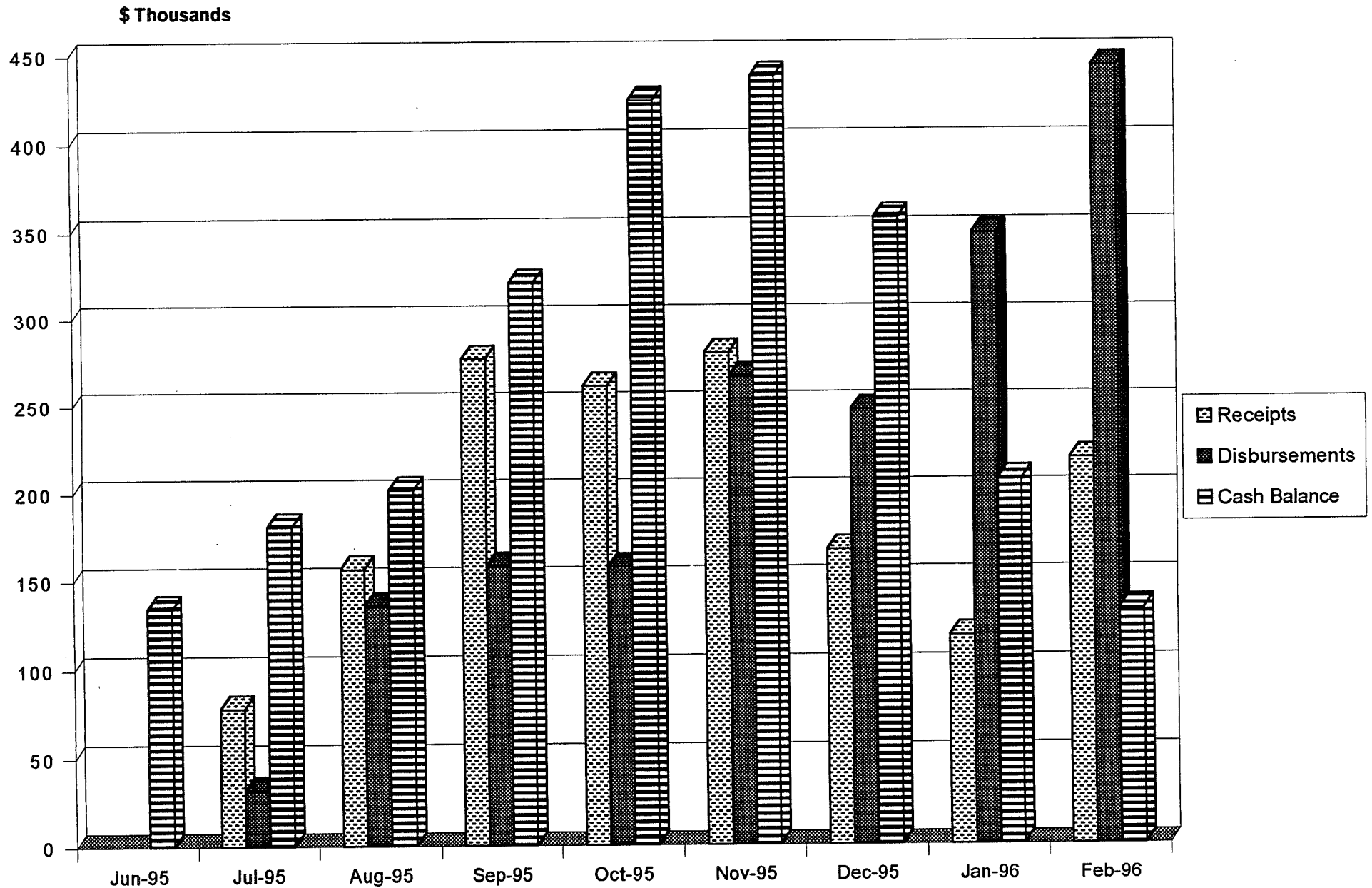
Revenues by Month



Departmental Expenses by Month



Cash Receipts and Payments



WAIS, Inc.
Trade Receivables
3/13/95

			Aging:			
	<u>Date</u>	<u>Total</u>	<u>0 to 30 Days</u>	<u>31 to 60 Days</u>	<u>61 to 90 Days</u>	<u>Over 90 Days</u>
CDC	2/27/95	12,450.00	12,450.00			
CMP Publications	12/30/94	3,687.50			3,687.50	
CMP Publications	1/30/95	4,100.00		4,100.00		
CMP Publications	2/28/95	4,100.00	4,100.00			
CMP Publications	3/2/95	27,470.00	27,470.00			
Conquest	9/30/94	5,000.00				5,000.00
Conquest	12/30/94	5,000.00			5,000.00	
Conquest	2/28/95	5,000.00	5,000.00			
Datavault	2/8/95	12,380.44		12,380.44		
Datavault	2/21/95	7,615.73	7,615.73			
Diamond Macro Solutions	2/28/95	14,613.75	14,613.75			
Fulcrum	2/28/95	50,000.00	50,000.00			
George Mason University	3/8/95	15,000.00	15,000.00			
House Information Systems	1/31/95	5,000.00		5,000.00		
Intel	2/21/95	1,000.00	1,000.00			
NASA SBIR I	1/30/95	22,785.00		22,785.00		
National Science Fdn	2/28/95	7,500.00	7,500.00			
NPD	1/31/95	13,531.25		13,531.25		
RJO Enterprises/DTIC	12/14/94	65,000.00			65,000.00	
RJO Enterprises/DTIC	12/14/94	15,000.00			15,000.00	
RJO Enterprises/DTIC	10/1/94	8,000.00				8,000.00
RJO Enterprises/DTIC	10/1/94	3,053.50				3,053.50
RJO Enterprises/DTIC	9/1/94	1,950.00				1,950.00
RJO Enterprises/DTIC	10/16/94	1,347.27				1,347.27
RJO Enterprises/DTIC	1/12/95	1,248.80		1,248.80		
SFNA	3/3/95	35,000.00	35,000.00			
Scholastic	2/1/95	3,000.00		3,000.00		
Scholastic	2/28/95	3,000.00	3,000.00			
Scientech	3/8/95	7,500.00	7,500.00			
Stanford	2/28/95	10,000.00	10,000.00			
The World Bank	12/30/94	22,500.00			22,500.00	
USGS	12/30/94	5,000.00			5,000.00	
Totals		397,833.24	200,249.48	62,045.49	116,187.50	19,350.77

Statistics:
Percentage

100%

50%

16%

29%

5%

WAIS, Inc.
Summary of Cash Flows
Month of February 1995

	<u>Feb-95</u>
Net operating Income (loss)	(30,567)
Depreciation & amortization	<u>6,616</u>
Cash flow from operations	(23,951)
 Cash interest, net	 410
 Subtotal	 <u>(23,541)</u>
 Changes in working capital:	
Accounts Receivable	14,358
Deposits & prepaids *	(5,305)
Accounts Payable	<u>(40,579)</u>
Cash used by working capital	(31,526)
 Purchases of fixed assets	 <u>(19,027)</u>
 Increase (Decrease) In Cash	 (74,094)
 Beginning Cash	 <u>207,113</u>
 Ending Cash	 <u><u>133,019</u></u>

* Note: includes reclassification of \$5,102 from Accrued Income tax to Prepaid (estimated) Income tax.

WAIS, Inc

10 Week Cash Forecast

3/13/95 9:25

Checking:

Opening Balance

Transfers from MMA

Disbursements:

Payroll
 Commissions
 Rent
 Equipment purchases
 Consultants
 IRS/Est tax pmts
 Other
 Disbursements
 Closing Balance

Actual	Actual	Actual	Actual	Forecast:									
13-Feb	20-Feb	27-Feb	6-Mar	13-Mar	20-Mar	27-Mar	3-Apr	10-Apr	17-Apr	24-Apr	1-May	8-May	15-May
(18,957)	15,857	(16,256)	(9,033)	(13,077)	1,073	1,073	(481)	(481)	(481)	(481)	1,965	1,965	1,965
145,000		126,000	0	130,000	0	115,000	50,000	85,000	60,000	30,000	140,000	0	155,000
51,691		65,308		65,000		70,000		75,000			80,000		80,000
2,360		10,142		10,000				10,000					15,000
		7,104				1,554				12,554			
14,250		8,957				10,000							
8,388	10,750	5,000				20,000							
				850									
33,497	21,363	21,267	4,044	40,000		15,000	50,000		60,000	15,000	60,000		60,000
110,186	32,113	117,777	4,044	116,850	0	116,554	50,000	85,000	60,000	27,554	140,000	0	155,000
15,857	(16,256)	(9,033)	(13,077)	1,073	1,073	(481)	(481)	(481)	(481)	1,965	1,965	1,965	1,965

Money Market:

Opening Balance

New business

AOL
 CDC
 CVP
 Conquest
 Datavault
 DMS
 Fulcrum
 GPO
 House Information Systems
 Informs
 Intel
 Information Concepts
 Mickels
 Natl Archives at College Pk
 NASA
 Natl Ctr for Mfg Sciences
 Natl Sci Fdn
 NYT
 NPD
 RJO
 Reuters
 Sciencetech
 Scholastic
 SFNA
 Stanford
 The World Bank
 Universite Laval
 George Mason Univ
 US Dept of Commerce
 Other

276,550	149,674	250,407	125,725	245,275	217,374	337,610	222,610	225,060	239,760	219,109	294,109	302,543	355,793
	50,000						25,000			50,000	50,000	50,000	50,000
							12,450						10,000
				3,688	4,100			27,470	4,100			3,250	4,100
			50,000	12,380	5,000		5,000			5,000			8,000
								7,616					
				50,000				14,614		50,000			
5,000					5,000								
	13,500				1,000				1,000				
	1,000		13,050								23,434		
	10,000					22,785							
			10,000					7,500			25,000		
			40,000			13,531							
					79,351				16,249		50,000		
					3,000			7,500	3,000				3,000
	3,000						10,000	35,000					10,000
				22,500						15,000			
13,124	483	318	6,500										
18,124	100,733	318	119,550	102,099	120,236	0	52,450	99,700	39,349	105,000	148,434	53,250	85,100
145,000	0	125,000	0	130,000	0	115,000	50,000	85,000	60,000	30,000	140,000	0	155,000
149,674	250,407	125,725	245,275	217,374	337,610	222,610	225,060	239,760	219,109	294,109	302,543	355,793	285,893
165,532	234,151	116,692	232,197	218,446	338,682	222,128	224,578	239,278	218,627	296,073	304,507	357,757	287,857

Combined Cash Balance

WAIS Inc

Wide Area Information Servers

February 1995 Financial Results and Forecast

REVENUES

Revenues for February were \$204,000 Vs. planned revenues of \$339,000 and forecast of \$323,000. The original annual financial plan revenues for Q3 and the year are \$761,000 and \$3,000,000.

We currently have a backlog in excess of \$1,000,000.

EXPENSES

February expenses were \$220,000 Vs planned expenses of \$256,000 and forecast of \$299,000.

CASH

Our cash balance at the end of the month was \$133,000, which was \$32,000 higher than plan. This reflected year to date revenues \$290,000 higher than plan.